

Avista Corp.

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September 22, 2009

Public Utility Commission of Oregon
Administrative Hearings Division
550 Capitol St NE #215
PO Box 2148
Salem OR 97308-2148

Attention: Filing Center

We are submitting the following information in compliance with the Commission's Order No. 08-542 under proceeding No. UF-4246 for the sale of \$250,000,000 debt securities, 5.125% due 2022.

Avista Corporation issued the \$250,000,000 principal amount of secured debt securities 5.125% due April 1, 2022 on September 22, 2009. Underwriters for this issuance were UBS Securities LLC, J.P. Morgan Securities Inc, Banc of America Securities LLC, KeyBanc Capital Markets Inc., Mitsubishi UFJ Securities (USA), Inc., Wells Fargo Securities, LLC, Comerica Securities, Inc., and U.S. Bancorp Investments, Inc. The 5.125% series was offered at a price of 99.77%. The underwriter's fee for the issue was 0.675% leaving a net price to the Company of 99.095% or total net proceeds of \$247,737,500. The net proceeds amount does not incorporate other issuance costs such as legal, accounting, ratings and other. See enclosed Final Term Sheet and Prospectus Supplement for more details on the transaction.

Accounting for the receipt and disposition of proceeds from the sale of the above-described securities is certified to be as follows:

Proceeds from the sale of the debt securities Authorized by Order No. 08-542, Case UF-4246.		\$250,000,000
Proceeds utilized for payment of underwriting Fees.	\$1,687,500	
Issuance Discount	\$575,000	
Proceeds will be used to pay down short term debt.	<u>\$247,737,500</u>	
Balance	<u>\$250,000,000</u>	<u>\$250,000,000</u>

Please contact Damien Lysiak at (509) 495-2097 if you have any questions.

Sincerely,

Diane C. Thoren
Treasurer

Enclosure

FWP 1 v53493fpfwp.htm FORM FWP

Filed Pursuant to Rule 433
Registration No. 333-139239

Final Term Sheet

Issuer:	Avista Corporation
Issue:	First Mortgage Bonds, 5.125% Series due 2022
Ratings*:	Baa1/BBB+/BBB+ (positive/positive/stable)
Offering Size:	\$250,000,000
Coupon:	5.125%
Trade Date:	September 15, 2009
Settlement Date:	September 22, 2009 (T+5)
Stated Maturity:	April 1, 2022
Spread to Benchmark Treasury:	T+170 bps
Yield to Maturity:	5.150%
Benchmark Treasury Yield:	3.450%
Benchmark Treasury:	3.625% due August 15, 2019
Initial Public Offering Price:	99.770%
Proceeds to Issuer (before expenses):	\$247,737,500
Optional Redemption:	Make-Whole Call, 30 bps spread over U.S. Treasuries
Interest Payment Dates:	Semi-annually in arrears on April 1 and October 1 of each year, commencing on April 1, 2010
Cusip:	05379B AP2
Joint Bookrunners:	UBS Securities LLC J.P. Morgan Securities Inc.
Senior Co-Managers:	Banc of America Securities LLC KeyBanc Capital Markets Inc. Mitsubishi UFJ Securities (USA), Inc. Wells Fargo Securities, LLC
Co-Managers:	Comerica Securities, Inc. U.S. Bancorp Investments, Inc.

*Note: A security rating is not a recommendation to buy, sell or hold securities. Each rating is subject to revision or withdrawal at any time by the assigning rating organization. Each security rating agency has its own methodology for assigning ratings, and, accordingly, each rating should be considered independently of all other ratings.

The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC website at www.sec.gov. Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling UBS Securities LLC toll-free at 1-877-827-6444, extension 561-3884 or J.P. Morgan Securities Inc. at 212-834-4533.